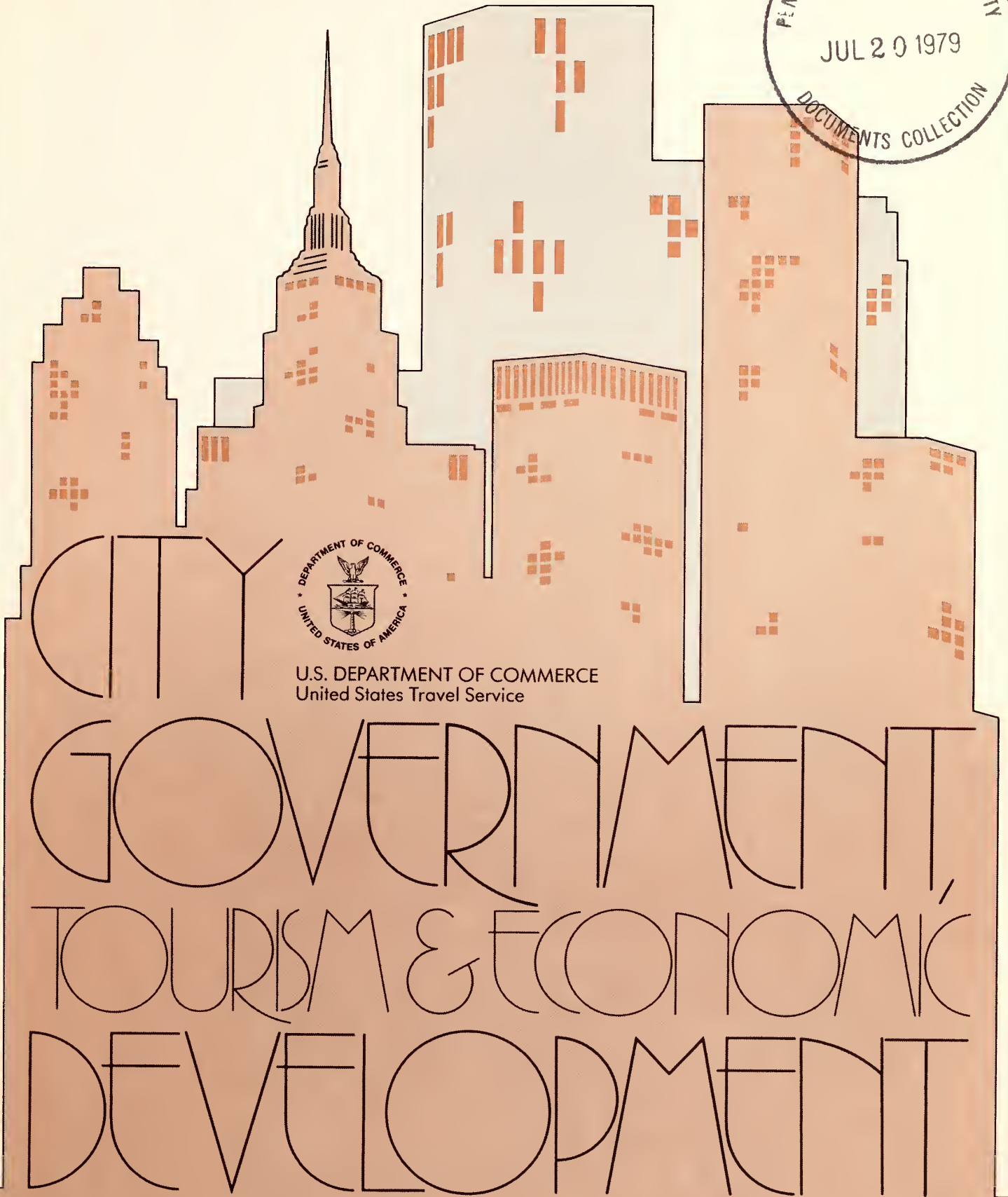


C47.2:T64/12/V.1

Volume 1



U.S. DEPARTMENT OF COMMERCE
United States Travel Service

CITY GOVERNMENT, TOURISM & ECONOMIC DEVELOPMENT

September 1978

Prepared for the
United States Travel Service,
An agency of the U.S. Department of Commerce
by the United States Conference of Mayors.



Volume 1

CITY GOVERNMENT, TOURISM & ECONOMIC DEVELOPMENT

The study was conducted for the United States Travel Service, an agency of the U.S. Department of Commerce by the U.S. Conference of Mayors, Institute for Urban and Regional Economic Analysis.

The primary research was conducted by the Department of Tourism and Travel Administration, Graduate School of Management and Urban Professions, New School for Social Research, New York City.

MARTA GOLDSMITH
Project Director
Institute for Urban and Regional
Economic Analysis
U.S. Conference of Mayors

GERALD T. HORTON
Principal Researcher
Visiting Professor of Urban Policy
Graduate School of Management
and Urban Professions
New School for Social Research

SUSAN ALT
Research Team Director
Acting Director, Department of
Tourism and Travel Development
New School for Social Research

Research Team
Joan Brown
Elizabeth Ketger
Lora Meyers
Evelyn Weiser
New School for Social Research

September, 1978

FOREWORD

The U.S. Conference of Mayors under the Direction of John J. Gunter as a part of the research program of its Institute for Urban and Regional Economic Analysis, under the direction of Melvin A. Mister, conducted a study of city governmental activities in travel, tourism, and convention promotion for the United States Travel Service, the national government tourism office of the United States.

The U.S. Conference of Mayors considers that tourism is so important to the cities' economic growth and development that it requires special attention.

The purpose of the project was to identify and describe the major activities which make tourism development an increasingly significant component of the city's overall economic development program.

The Conference, in conjunction with the New School for Social Research, conducted a mail survey of the tourism and travel programs in all cities with populations over 100,000. The survey questionnaire requested information regarding:

- Organizations conducting tourism promotion and development programs such as city departments, chambers of commerce, convention bureaus, and international visitor agencies;
- Activities of each organization such as advertising promotion, tour guides, research and multilingual publications;

- Budgets of each of the identified organizations, including sources of income and expenditures by activity; and
- Relationships of the organizational units in areas such as joint planning, programming and funding.

Responses were received from 150 of the 168 cities surveyed and are presented in Volume 1.


Case studies were used to identify and describe notable city programs and their origins so that they may be replicated by other cities. Findings from the case studies are presented in Volume 2.

The project was managed by the U.S. Conference of Mayors. The Project Director was Marta Goldsmith.

The research was carried out by the Department of Tourism and Travel Administration, the New School for Social Research. The project manager for the New School was Susan Alt, Acting Director of Tourism and Travel Administration New School for Social Research. The principal researcher and principal author of the report was Gerald Horton, Visiting Professor for Urban Policy at the New School.

We wish to thank all the cities who responded to the survey. It was a difficult task and we were gratified at the response. We hope the report will be useful to Mayors and city administrators across the country as they consider the role of travel and tourism in their overall economic development programs.

September, 1978



Digitized by the Internet Archive
in 2012 with funding from
LYRASIS Members and Sloan Foundation

<http://www.archive.org/details/citygovernmentto00unit>

TABLE OF CONTENTS

	<i>Page</i>
Chapter 1	
City Government and Travel Promotion in Urban Economic Development	1
Chapter 2	
Organization of City Tourism Programs	3
Chapter 3	
The Financing of Travel Development by City Government	7
Chapter 4	
Tourism and Convention Activities in City Government	13
Chapter 5	
State Involvement in Local Tourism Programs	16

Chapter 1

CITY GOVERNMENT AND TRAVEL PROMOTION IN URBAN ECONOMIC DEVELOPMENT

Today, the tourism, travel, and convention business is booming and the cities are the center of that boom. As Horace Sutton, editor of the *Saturday Review*, said recently "Only five years after cities had been left for dead, the hardest thing to find in maligned and moribund New York is a hotel room."

The cities have survived their hand-wringing critics and are centers of activity not only for the citizen, but especially for the traveler.

Historically, cities have functioned as meeting places. Where industry and commercial activity may move to the suburbs or beyond, conversely the airports, highway systems, and the size and activities of the city itself are major motivating forces drawing the tourist and the conventioner.

In addition, the managerial resources, financial investment, and the broad spectrum of support services necessary for the growth and maintenance of this industry are located primarily in America's cities.

Public funds have been used to build coliseums, stadiums, and convention centers. The size and number of these physical resources demonstrate the growth of the cities' commitment to the visitor as a source of income and economic viability.

The private sector is the city's full partner in the economic activity of the tourism industry. Convention facilities, trade marts, hotels, and restaurants, and, in some cases, even transportation systems, are intended and designed by the private sector to attract the tourist and business traveler's dollar.

In the last three to five years, local governments have become increasingly cognizant of the importance of working in tandem with private industry in their redevelopment efforts. Cities are looking to those industries which flourish in the unique environment of a city. This environment, which consists of a high level of opportunity for face-to-face and broadcast communication, commercial diversity, cultural resources, intermodal transportation, and financial and informational services can offer these industries access and opportunities that would not be available in suburban or rural locales.

Tourism and conventions are two economic sectors that need what a city can offer. Cities are learning to work with the private sector of the tourism industry in their overall economic development effort.

In describing the important economic characteristics of the American city, one of the most significant ones must be its function as a place to meet and visit. As efforts are made and as means are sought to create jobs, encourage new capital investment, and stimulate economic development in the city, the travel and tourism industry becomes an increasingly obvious and important sector for examination.

Rejuvenation of the city with its array of theaters, hotels, restaurants, and music has caught the eye of the exploding convention market. Chicago, one of the nation's biggest convention cities, tabulated \$509 million spent by trade-show and convention delegates in 1977, up from \$207 million in 1967. Los Angeles, relatively new to the convention trade, hosted 216 meetings in 1977, its finest year, and entertained nearly half a million delegates who spent more than \$100 million in the city.

The travel industry provides employment opportunities as cities seek new jobs for a changing urban population.

“The travel industry stands out among major U.S. industries as a creator of jobs, especially for minorities, women and youth . . . the groups that most need new jobs,” Grover Heiman, editor of *Nations Business*, said in an article on travel.

Some critics contend these are not very good jobs. “Yet a job within the reach of an inner city resident is a better prospect than are those 30 miles away,” Kenneth Fry, who was the first director of development for the city of Milwaukee and currently an urban consultant in Washington, D.C., said in a recent article. It is also better than no job at all.

The travel industry is becoming an increasingly large segment of the economy of urban America. Cities developed as the focal point of transportation, and older cities are repositories of history and culture. Cities, therefore, are at the center of tourists’ interests. They provide airports, convention centers, highways, and other support services and activities for the traveler and they perform important functions as a place to meet and visit as well as servicing this major growth industry.

It is necessary that cities realize the importance of this growing industry. As cities begin to examine their economies more closely and to develop policies and programs for economic development, tourism and convention promotion must be addressed.

Fabian Chavez, Assistant Secretary of Commerce for Tourism, said, “Tourism is economic development. Tourism should be included as a part of economic development planning at the local, state, and national levels.”

Ideally, a city should be able to develop an overall economic development strategy which would serve as a framework for both public and private investment. This economic strategy should include local public and private activities related to tourism and convention promotion.

This report focuses specifically on cities and the mechanisms they can employ, intergovernmentally with other governmental resources, and in conjunction with the private sector of the tourism industry, to promote urban capital investment, increased tax revenues, and job development associated with the tourist industry.

Chapter 2

ORGANIZATION OF CITY TOURISM PROGRAMS

There are almost as many ways for a city to organize its tourism and convention development activities as there are cities. For this assessment, three basic types are described. A city may (1) conduct all of its tourism related activities within the city government, (2) contract with an outside agency for their services or (3) do both. A few cities which neither have a unit within city government nor contract out for services may fund outside organizations on a noncontractual basis but this arrangement is atypical and the services provided minimal.

Of the 150 cities responding to the survey, 26 indicated they have an office, organizational unit or staff with the specific responsibility for travel, tourism and convention development and have no outside contractual arrangements. Of these, 21 indicated that responsibility for these rest with a line agency, six of the 26 place that responsibility with a city Convention and Visitors bureau and four with the Mayor's Office. These cities are listed in Table 1 on page 5.

The departments where these responsibilities are placed vary. They include, among others, Departments of Community Services, Departments of Public Information, Departments of Conventions and Tourism and Departments of Commerce. Only four cities specified that their tourism and convention development activities are located in their departments of economic development.

The staff size for these city units also vary greatly. The largest staffs are the Las Vegas Convention and Visitors Authority and the Miami/Dade County Metro Department of Tourism Promotion both with 27 staff people.

For the 31 cities which indicated that they have full-time professional staffs:

Number of Full-Time Professional Staff	Number of Cities Responding
1-5 persons	22 cities
6-10 persons	3 cities
More than 10 persons	6 cities

The second type of organizational arrangement is one in which all travel development activities are provided by agencies outside the city government on a contractual basis. This was the most prevalent approach with 72 cities indicating that they contracted out for services and did not have an organizational unit within the city government for tourism and travel development promotion. Examples of cities who contract all of these activities out include:

- Birmingham, Alabama which has a \$238,591 contract with an independent Convention and Visitors Bureau;
- Garden Grove, California which has a three-year \$43,000 contract with its Chamber of Commerce; and
- Fall River, Massachusetts which has a \$3,000 contract with the Bristol County Development Council.

Of the three types of organizational arrangements, least prevalent are those cities which have both a unit of city government and contract with outside institutions. Thirteen of the cities indicated that they employed this approach. Examples of this approach include:

- Jacksonville, Florida which has a contract with an independent Convention and Visitors Bureau; but administers the Bureau's advertising through the Information Services Division of the city;

- Boston, Massachusetts which has an Auditorium Commission and a contract with the independent Convention and Visitor's Bureau through the Freedom Trail Commission and its Foreign Visitors Bureau; and
- Nashville, Tennessee which has two staff people in the Mayor's office involved in tourism related activities and has a contract with the Chamber of Commerce for tourism and convention promotion.

There appeared to be a fairly high level of consistency among the cities with regard to whom they contract with for services. Forty-six cities indicated that they had contracts with the local convention or visitors bureau or a similar organization. Thirty contract with their Chamber of Commerce. Two cities have contracts with their Foreign Visitor's Bureau. One city, Atlanta, contracts with a state faculty, the World Congress Center. The city of Boston contracts with the Visitor's Information Center. A list of cities which contract with each type of agency is in Table 1 on page 5.

A list of these cities is shown in Table 1 on page 5.

Of the cities responding to the survey questionnaires, 37 reported that they were in no way involved in travel tourism and convention development.

Chart 1

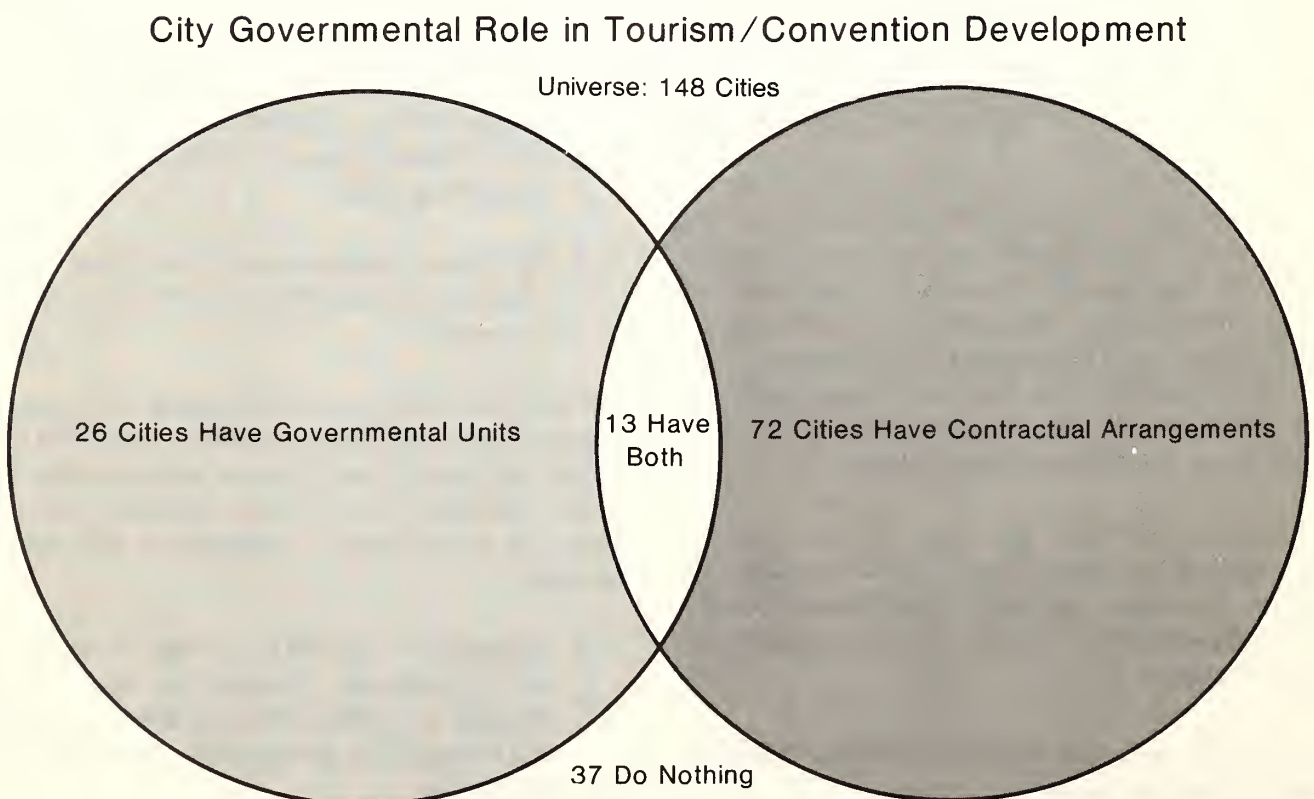


Table 1

**AGENCIES WITH WHOM CITIES CONTRACT FOR THEIR
TOURISM, TRAVEL, AND CONVENTION DEVELOPMENT ACTIVITIES**

Convention/Visitors Bureau (or similar)			Chamber of Commerce		
Albany	Flint	Orlando	Albuquerque	Ft. Worth	Portsmouth
Akron	Fresno	Pasadena	Allentown	Fresno	Raleigh
Anaheim	Grand Rapids	Philadelphia	Atlanta	Garden Grove	Riverside
Atlanta	Hartford	Phoenix	Austin	Hollywood	Spokane
Baton Rouge	Jacksonville	Pittsburgh	Charlotte	Huntsville	Stockton
Beaumont	Kansas City, Mo.	Portland	Chesapeake	Lexington	Tampa
Birmingham	Lansing	Providence	Colorado Springs	Minneapolis	Toledo
Boston	Lexington	Richmond	Columbia, S.C.	Mobile	Torrance
Buffalo	Long Beach	Roanoke	Denver	Oklahoma City	Tulsa
Charlotte	Lubbock	St. Louis	Ft. Lauderdale	Orlando	
Chicago	Macon	St. Paul			
Columbus, Ga.	Madison	San Francisco			
Columbus, Ohio	Memphis	San Diego			
Corpus Christi	Milwaukee	Savannah			
Dallas	Montgomery	Seattle			
Dayton	New Orleans	Spokane			
Denver	New York	Wichita			
		Winston-Salem			

Thirteen of the cities surveyed indicated that they have advisory groups or task forces within the city government organization for travel, tourism and/or convention development. Two cities — El Paso and Nashville — have such units established by city ordinance. Baltimore has an informal group which includes the three persons in charge of the three agencies primarily concerned with promotion and tourism.

Other cities having an advisory body include:

- Fort Lauderdale, Florida has an Economic Development Task Force with representatives from the Greater Fort Lauderdale Chamber of Commerce, the Fort Lauderdale Ambassadors and the Hotel and Restaurant Association.
- Miami/Dade County, Florida has a recently formed Tourism Development Council with representatives from the Metropolitan Dade County government to establish a countywide resort tax for funding tourism promotion.
- Wichita, Kansas has a Convention and Tourism Advisory Committee appointed by the City with a membership representing hotels, motels, city facilities, the local university and citizens-at-large. A representative from the convention bureau serves as an ex officio member. The committee reviews and advises the City Commission on programs and budgetary considerations relating to tourism.
- Boston, Massachusetts has recently formed a pro-Boston program with an Advisory Committee chaired by a deputy mayor with tourism as one of its focal points. The committee will develop recommendations for action and present them to the mayor.
- Columbus, Ohio uses its Mayor's Economic Development Council, Promotions and Public Relations Task Force to advise and make recommendations on promotions on plans for economic development for the City including its relationship to travel and tourism and recreational development.

Chapter 3

THE FINANCING OF TRAVEL DEVELOPMENT BY CITY GOVERNMENT

More than 100 of the cities surveyed reported a budgeted expenditure for tourism, travel and convention programs and promotion. These expenditures included both city-expended funds and contracted services with Chambers of Commerce, Convention and Visitors Bureaus, etc.

Las Vegas reported the largest budget, \$13.4 million and the largest per capita expenditure \$72.43 per citizen. Because the income is derived from both an occupancy tax and a percent of the gaming tax, it bears little relationship to any other city in the United States.

Thirteen cities, not counting Las Vegas, spend more than \$1.75 per capita for travel and tourism as shown in Table 2.

Table 2

SELECTED CITIES WITH MAJOR FINANCING FOR TRAVEL DEVELOPMENT

CITY	TOTAL EXPENDITURES	PER CAPITA AMOUNT EXPENDED
Anchorage, Alaska	\$ 258,000	3.40
Arlington, Texas	290,000	1.87
Amarillo, Texas	316,000	2.00
Long Beach, California	850,000	2.36
Little Rock, Arkansas	1,600,000	9.08
Los Angeles, California	6,800,000	2.49
Louisville, Kentucky	1,000,000	3.29
Nashville, Tennessee	1,000,000	2.24
Norfolk, Virginia	500,000	1.91
San Diego, California	1,200,000	1.59
San Francisco, California	1,300,000	1.93
San Antonio, Texas	1,300,000	1.75
Virginia Beach, Virginia	1,100,000	4.40

All thirteen of these cities have a hotel-motel occupancy tax, a portion of which is allocated to travel development. This resource is the basis of their financial support.

Table 3 on page 8 indicates city expenditures in certain ranges. It also indicates the per capita expenditure.

Tables 4 and 5 indicate the funding sources for the cities responding to the survey.

Other than general revenues, a hotel-motel room occupancy tax is the most common source of financing for tourism and convention development activities by city government. As noted earlier, the largest funded programs use this source. Approximately 60 cities surveyed indicate that they use transient occupancy tax income for this purpose.

City governments finance their travel development programs from a number of sources. These include allocations from such sources as the general fund, hotel-motel occupancy tax, entertainment or ticket tax, mixed drink tax and earmarked sales tax as shown in Chart 1.

Table 3
CITY EXPENDITURES FOR
TOURISM AND TRAVEL DEVELOPMENT

CITY	POPULATION	CITY FUNDS	TOTAL PER CAPITA	CITY	POPULATION	CITY FUNDS	TOTAL PER CAPITA
\$00 - \$99,000				\$200,000 - \$299,999			
Allentown, Pa.	109,000	\$ 1,800	\$.02	Seattle, Wash.	530,500	\$200,000	\$.38
Fall River, Mass.	100,339	3,000	.03	Beaumont, Tex.	129,995	202,482	1.56
Gary, Ind.	186,000	3,600	.02	Fresno, Calif.	190,000	207,000	1.09
Cedar Rapids, Iowa	110,000	5,000	.05	Austin, Tex.	320,000	212,000	.66
Portsmouth, Va.	100,000	5,000	.05	Washington, D.C.	690,000	250,000	.36
Raleigh, N.C.	153,000	5,000	.03	Anchorage, Alaska	107,467	258,000	2.40
Columbia, S.C.	112,000	10,000	.09	Hartford, Conn.	150,000	274,000	1.83
Flint, Mich.	193,317	15,000	.08	Memphis, Tenn.	677,000	275,000	.41
Durham, N.C.	106,000	15,000	.14	Milwaukee, Wis.	637,000	287,000	.45
Ft. Wayne, Ind.	190,000	18,000	.09	Arlington, Va.	155,000	290,000	1.87
Chesapeake, Va.	108,000	20,000	.19				
Bayamon, P.R.	250,000	20,000	.08				
Lansing, Mich.	129,000	20,000	.16				
Lexington, Ky.	185,000	20,000	.11				
Newport News, Va.	139,400	20,000	.14	\$300,000 - \$399,999			
Colorado Springs, Colo.	191,600	25,000	.13	Baton Rouge, La.	294,000	309,000	1.05
Hollywood, Fla.	125,000	25,000	.20	Amarillo, Tex.	158,000	316,000	2.00
San Bernardino, Calif.	108,000	26,105	.24	Irving, Tex.	119,000	319,650	2.67
Charlotte, N.C.	281,417	30,000	.11	Detroit, Mich.	1,387,000	337,000	.24
Grand Rapids, Mich.	200,000	30,000	.15	Albuquerque, N. Mex.	274,000	382,869	1.40
New Bedford, Mass.	101,000	30,000	.30				
Providence, R.I.	175,000	30,000	.17				
Stockton, Calif.	122,000	31,100	.25				
Aurora, Colo.	145,000	40,000	.28	\$400,000 - \$499,999			
Orlando, Fla.	118,000	40,000	.34	Cleveland, Ohio	679,000	400,000	.59
Winston-Salem, N.C.	144,310	40,000	.28	Wichita, Kans.	265,000	412,000	1.55
Garden Grove, Calif.	123,000	43,000	.35	Corpus Christi, Tex.	220,000	415,000	1.89
Torrance, Calif.	135,000	43,700	.32	St. Louis, Mo.	2,500,000	450,000	.18
Pittsburgh, Pa.	494,601	45,000	.09	El Paso, Tex.	420,000	458,000	1.09
Spokane, Wash.	187,000	47,000	.25	Tucson, Ariz.	425,000	468,000	1.10
Jacksonville, Fla.	590,000	50,000	.08	Atlanta, Ga.	1,700,000	480,000	.28
New Haven, Conn.	127,000	53,406	.42				
Boston, Mass.	618,000	55,000	.09				
Ft. Lauderdale, Fla.	156,500	60,000	.38				
Toledo, Ohio	367,000	60,000	.16	\$500,000 - \$999,999			
Riverside, Calif.	160,000	64,500	.40	New York City, N.Y.	7,867,760	500,000	.06
St. Paul, Minn.	310,000	65,000	.21	Norfolk, Va.	286,200	546,000	1.91
Lubbock, Tex.	175,000	75,000	.43	Oklahoma City, Okla.	390,000	561,000	1.44
Tampa, Fla.	287,458	85,000	.30	Phoenix, Ariz.	685,000	565,000	.82
St. Petersburg, Fla.	236,413	98,883	.42	Denver, Colo.	525,000	575,000	1.09
				Dallas, Tex.	891,386	725,000	.81
\$100,000 - \$199,999				Long Beach, Cal.	360,000	850,000	2.36
Madison, Wis.	172,000	100,000	.58	Kansas City, Mo.	472,500	890,000	1.90
Portland, Wash.	384,000	100,000	.26	Chicago, Ill.	3,173,000	900,000	.28
Hampton, Va.	130,000	105,000	.81				
Alexandria, Va.	116,000	113,879	.98				
Knoxville, Tenn.	181,151	115,000	.63				
Savannah, Ga.	118,000	118,000	1.00	\$1,000,000 and over			
Columbus, Ga.	175,000	120,000	.69	Nashville, Tenn.	447,000	1,000,000	2.24
Baltimore, Md.	845,000	125,000	.15	Louisville, Ky.	326,359	1,076,000	3.29
Dayton, Ohio	225,000	125,000	.56	Virginia Beach, Va.	255,000	1,123,883	4.40
Richmond, Va.	238,000	125,000	.25	San Diego, Calif.	754,000	1,200,000	1.59
Mobile, Ala.	202,000	129,500	.64	Miami/Dade, Fla.	1,745,000	1,220,679	.70
Macon, Ga.	125,000	130,000	1.04	San Francisco, Calif.	655,000	1,283,000	1.93
Pasadena, Calif.	112,864	147,000	1.30	San Antonio, Tex.	756,000	1,324,000	1.75
Ft. Worth, Tex.	414,950	150,000	.36	Little Rock, Ark.	176,205	1,600,000	9.08
New Orleans, La.	600,000	150,000	.25	San Jose, Calif.	575,100	1,600,000	2.78
Philadelphia, Pa.	1,980,000	150,000	.08	Houston, Tex.	1,450,000	5,041,890	3.48
Jackson, Miss.	205,000	163,000	.80	Los Angeles, Calif.	2,727,399	6,779,828	2.49
Tulsa, Okla.	335,000	190,000	1.23	Las Vegas, Nev.	185,000	13,400,000	72.43
Montgomery, Ala.	154,700	190,906	1.23				

The tax usually requires a state enabling act for the city to institute it. In some cases, such as Tennessee and Texas, that state enabling act requires that the city spend a specific portion of the receipts on tourism promotion. In other areas, such as Georgia, the state legislation states that the local government spend a portion of the income from the tax for that purpose, but does not specify or require a percentage. Some state legislation makes no reference to how the income should be spent.

About 25 cities use only a percentage of the hotel-motel tax to fund their travel, tourism, and convention activities. At least four cities (Dayton, Macon,

Arlington (Texas), and San Antonio) use 100% of this tax for tourism promotion.

A city council normally institutes the transient occupancy tax that varies from 1% to 8% by local ordinance. The local ordinance often allocates a percentage or a dollar amount of the tax to tourist, travel, and convention promotion purposes.

Cities also receive funds from state programs to match local funds. This source is discussed in Chapter 5, "State Involvement in Local Tourism Programs."

Table 4
FUNDING SOURCES
(Listed by City)

GENERAL REVENUES	EARMARKED SALES TAX	ENTERTAINMENT OR TICKET TAX	MATCHING FUNDS	HOTEL/MOTEL TAX	MIXED DRINK TAX	OTHER
Alexandria	Miami/Dade City	Phoenix	Albany	Akron	Lansing	Cleveland
Allentown	Mobile	Boston	Albuquerque	Albuquerque	Las Vegas	Huntsville
Anchorage	Newark	Hartford	Anchorage	Amarillo	Lexington	Virginia Beach
Aurora	New Bedford	Minneapolis	Charlotte	Anaheim	Little Rock	El Paso
Baltimore	New Haven	Virginia Beach	Chicago	Anchorage	Long Beach	Erie (2)
Bayamon	New Orleans		Erie	Arlington	Los Angeles	Flint
Boston	Newport News		Fall River	Atlanta	Louisville	Houston
Buffalo	Norfolk		Flint	Austin	Lubbock	Jacksonville
Charlotte	Orlando		Fort Wayne	Baton Rouge	Macon	Kansas City,
Chesapeake	Pasadena		Lansing	Beaumont	Madison	Kansas
Columbia	Portland		Las Vegas	Birmingham	Madison	Las Vegas (2)
Detroit	Portsmouth		Lexington	Chicago	Memphis	Little Rock
Durham	Providence		Little Rock	Cleveland	Milwaukee	New Bedford (2)
El Paso	Raleigh		Louisville	Colorado Springs	Minneapolis	New Orleans
Fall River	Richmond		Madison	Columbus, Ga.	Mobile	New York
Flint	Riverside		Memphis	Columbus, Ohio	Montgomery	Philadelphia
Fort Lauderdale	St. Petersburg		Milwaukee	Corpus Christi	Nashville	St. Louis
Fresno	San Antonio		Minneapolis	Dallas	Norfolk	San Francisco
Garden Grove	San Bernardino		Nashville	Dayton	Oklahoma City	Springfield,
Gary	San Jose		New Orleans	Denver	Pittsburgh	Mass.
Grand Rapids	Seattle		Peoria	El Paso	Portland	Trenton
Hampton	Spokane		Philadelphia	Ft. Wayne	St. Louis	Virginia Beach
Hollywood	Stockton		Pittsburgh	Ft. Worth	St. Paul	Winston-Salem
Huntsville	Tampa		Phoenix	Fresno	San Diego	(2)
Independence	Torrance		St. Paul	Garland	San Antonio	Youngstown
Jackson	Trenton		St. Petersburg	Hampton	San Francisco	
Jacksonville	Tucson		Seattle	Houston	San Jose	
Knoxville	Virginia Beach		Shreveport	Huntsville	Savannah	
Lansing	Washington		Springfield, Mass.	Irving	Toledo	
Los Angeles	Winston-Salem		Tampa	Kansas City, Ka.	Tulsa	
Madison			Tuscon	Kansas City, Mo.	Virginia Beach	
Memphis			Winston-Salem	Knoxville	Wichita	

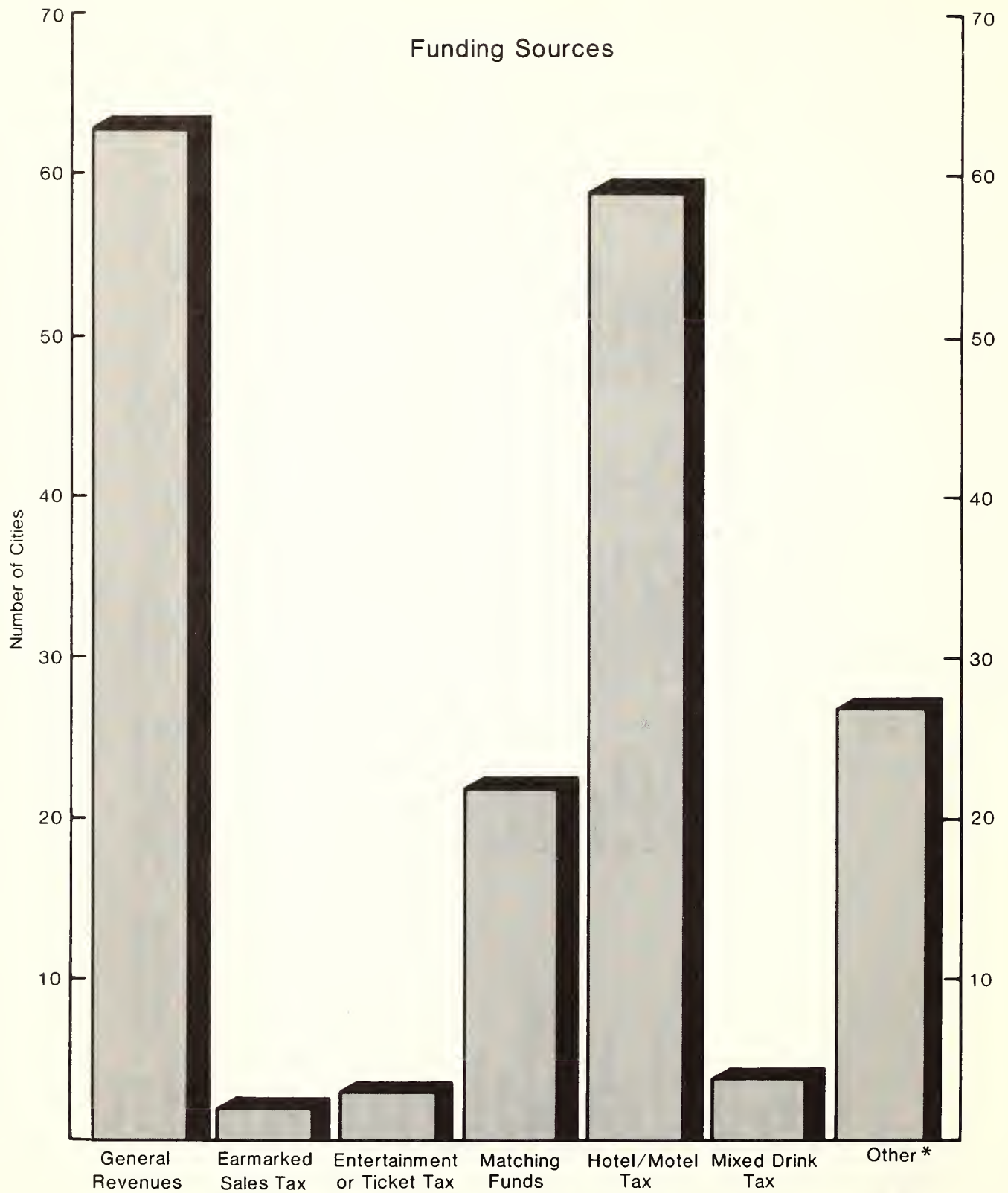
(2) Denotes two other sources

Table 5

MULTIPLE FUNDING SOURCES

ONE FUNDING SOURCE		TWO FUNDING SOURCES		THREE FUNDING SOURCES	FOUR OR MORE FUNDING SOURCES
Akron	Jackson	Albuquerque	Milwaukee	Anchorage	Las Vegas Virginia Beach
Albany	Jacksonville	Boston	Mobile	El Paso	
Alexandria	Kansas City, Mo.	Charlotte	Nashville	Erie	
Allentown	Long Beach	Chicago	Norfolk	Flint	
Amarillo	Lubbock	Cleveland	Philadelphia	Huntsville	
Anaheim	Macon	Colorado Springs	Phoenix	Lansing	
Arlington	Miami/Dade Cnty.	Corpus Christi	Pittsburg	Little Rock	
Atlanta	Montgomery	Fall River	Portland	Madison	
Aurora	Newark	Ft. Wayne	St. Louis	Memphis	
Austin	New Haven	Fresno	St. Paul	Minneapolis	
Baltimore	New York	Hampton	St. Petersburg	New Bedford	
Baton Rouge	Newport News	Houston	San Antonio	New Orleans	
Bayamon	Oklahoma City	Kansas City, Ka.	San Francisco	Winston-Salem	
Beaumont	Orlando	Knoxville	San Jose		
Birmingham	Pasadena	Lexington	Seattle		
Buffalo	Peoria	Los Angeles	Springfield		
Chesapeake	Portsmouth	Louisville			
Columbia, S.C.	Providence				
Columbus, Ga.	Raleigh				
Columbus, Ohio	Richmond				
Dallas	Riverside				
Dayton	San Bernardino				
Denver	San Diego				
Detroit	Savannah				
Durham	Shreveport				
Ft. Lauderdale	Spokane				
Ft. Worth	Stockton				
Garden Grove	Tampa				
Garland	Toledo				
Gary	Torrance				
Grand Rapids	Trenton				
Hartford	Tuscon				
Hollywood	Tulsa				
Independence	Washington, D.C.				
Irving	Wichita				
	Youngstown				

Chart 2



* Other Funding Sources Include Mayor's Discretionary Fund, Membership Dues from Chamber of Commerce Space Rental, Promotional Income, Private Subscriptions, Federal Grants, City Department of Commerce and Special Investments.

Chapter 4

TOURISM AND CONVENTION ACTIVITIES IN CITY GOVERNMENT

Cities undertake a diversified set of tourism-related activities. The increased mobility of the population for both business and leisure and the increase in the convention business has prompted many cities to look at themselves more carefully and to devise more and better ways to market their assets and attractions.

There are two ways that a city can approach travel, tourism, and convention development. Either the activities are carried out by city government or the city turns to the private sector. In the majority of cities surveyed, they do both.

Activities which cities undertake most are the production of information materials, the administration of speakers bureaus, and the construction and maintenance of public facilities.

The second set of most prevalent activities include national and regional advertising and promotion and public relations. Convention planning and technical assistance are also areas of major involvement and a few cities have a hotel/motel reservation service and do research in tourism development.

Approximately half of the cities surveyed indicated that they participate in joint activities with the private sector. The activities included:

AIRLINES

- joint advertising and promotion
- arrangements of familiarization tours for travel agents, tour brokers and writers
- assistance with route cases before CAB

BUS LINES

- joint advertising and promotion
- arrangement of familiarization tours
- traffic control assistance during conventions and busy seasons

RAILROADS

- joint promotion and advertising
- development of familiarization tours
- development of tour packages
- financial assistance

HOTELS AND MOTELS

- joint promotion campaigns
- convention solicitation
- coordination during special events

CAR RENTAL FIRMS

- joint promotion
- tour development
- research

TRAVEL AGENCIES

- development of tour packages
- information services
- brochure distribution

TOUR BROKERS

- development of tour packages
- joint promotion

RECREATIONAL FACILITIES

- joint marketing and advertising campaigns
- refurbishment of historical sites and buildings

NONPROFIT GROUPS

- joint promotion
- brochure production
- research
- coordination of special events

Some cities indicated that they have organized promotional campaigns that include merchants, hotels, restaurants and airlines. Examples include the City of Norfolk which often acts as a catalyst in developing programs and travel packages and assists travel-related businesses to develop promotional material. promotional material.

Other cities have local awareness programs to remind the community of the importance of tourism and conventions to local businesses. Independence, Missouri has this type of program entitled "Company's Coming" to educate retailers and local residents on how to help tourists. Nashville collaborates with a local university on a training program for employees of hotels, restaurants, automobile service stations and other businesses that deal with visitors on a daily basis. The El Paso Convention and Visitors Bureau periodically conducts a media campaign called "Educate El Pasoans."

Other examples include San Bernadino's Mayor's Council for International Friendship and Goodwill which serves to bring together the various programs, facilities and events available to the international visitor and Seattle's "Snuggle Up in Seattle" which is a joint promotion to attract off-season Canadian visitors. Table 6 indicates the percentage of cities which work with various private sector groups.

Public development of facilities is the most significant investment for cities in travel development. Categorizing the public capital improvement projects used most frequently, 60 cities have built, renovated or conducted feasibility studies for new convention complexes and civic centers and 16 cities are building and studying sports arenas. A like number have constructed arts and cultural centers.

The large incidence of convention hall/civic center projects illustrates the widespread belief among large cities that the convention and meeting business are the most important part of their travel/tourism development component to generate jobs and income. Sporting and cultural events occur more frequently as adjunct attractions where convention facilities already exist. In most cases other expenditures have occurred after convention facilities were developed. Having constructed major public facilities, they must be promoted to be successful.

It seems clear that the convention business, including the development of supporting facilities to attract that business, is the priority item in present and future planning. Other kinds of new developments are undertaken in hopes of deriving significant returns on investments related to this segment of the visitor's market.

More than half of the responding cities channel their promotional activities directly through a Convention Bureau and/or Chamber of Commerce. About 43%

Table 6
PERCENTAGE OF CITIES PARTICIPATING WITH
PRIVATE SECTOR GROUPS

(Base: 150 Cities)

Airlines	60%
Bus Lines.	40%
Railroads.	23%
Hotels	42%
Motels	62%
Car Rental Firms.	45%
Travel Agencies.	48%
Tour Brokers.	45%
Recreation Facilities.	47%
Non-profit Groups.	48%

of the cities also engage in advertising and media promotion through other avenues as well.

The most frequent redevelopment activity reported was the renewal and renovation of the inner-city and downtown business areas. Waterfront restoration was reported in more than one-fourth of the responses. In the past decade federal and state funding encouraged urban renewal and waterfront reha-

bilitation, both of which are considered to enhance the attractiveness of a city as a tourism, travel, and convention destination.

Transportation improvements represent a very small portion of the redevelopment activities which suggests that this activity is regarded as functioning on a broader scope than tourism.

Chapter 5

STATE INVOLVEMENT IN LOCAL TOURISM PROGRAMS

The State is an important factor in local tourism development programs. Cities, it is often said, are creatures of the State. That is to say that they exist at the will of the State. Their ability to collect revenues is subject to state discretion. States pass federal funds through to cities as well as generate a substantial portion of local income themselves. State projects and programs have a major and continuous impact on local governments and their citizens.

State involvement in local tourism development is evident in three ways: 1) States pass enabling legislation which allows for the collection of taxes to support local promotion activities, 2) they assist localities through the provision of matching funds and 3) they undertake activities jointly with cities.

Fifty-nine cities indicated that they fund all or part of their tourism promotion and convention develop-

ment activities with a hotel-motel occupancy tax. Four cities indicated that they derived support from a mixed-drink tax, four from an entertainment or ticket tax and two from an earmarked sales tax. These taxes were made possible through state enabling legislation.

Nineteen states provide matching funds to local governments to be used in the area of tourism and convention development. The amount of funds annually provided to a city ranges from \$2,250 in Lexington, Kentucky to more than \$300,000 provided to Philadelphia, Pennsylvania by the State Bureau of Travel Development. Table 7 gives examples of cities which receive matching funds from the states and the amount received. Twenty-five cities indicated that they receive matching funds from their states.

Table 7

STATE MATCHING FUNDS FOR LOCAL USE

<u>STATE</u>	<u>CITY</u>	<u>AMOUNT</u>	<u>DESCRIPTION</u>
Alaska	Anchorage	\$50,000	Dollar for dollar match, \$50,000 ceiling
		\$30,000	Applied for yearly; tourist information
		\$ 4,000	Applied for yearly; for brochures
Arizona	Phoenix	\$10,000	Grant applied for yearly for piggy back advertising
Arkansas	Little Rock	Not Avail.	State matches funds on a 2 for 1 basic; State sets amount of appropriations.

Table 7

STATE MATCHING FUNDS FOR LOCAL USE (Continued)

<u>STATE</u>	<u>CITY</u>	<u>AMOUNT</u>	<u>DESCRIPTION</u>
Illinois	Chicago	Not Avail.	Specific project requests proposed from city to state. When these projects are approved, the state matches funds on a 1 to 1 basis
Kentucky	Lexington	\$2,250	State reimburses 1/2 cost of promotion on regional basis
	Louisville	\$50,000	State matches funds
Louisiana	Shreveport	\$ 5,000	State matches funds
Massachusetts	Fall River	\$ 3,000	Funds matched on 1 to 1 basis from Bristol County Development Council
	Springfield	Not Avail.	State matches funds
Michigan	Flint	\$ 58,501	Matching funds from Michigan State Travel Department for personnel, sales and promotion
	Lansing	\$34,000	State convention bureau grant based on local support
Minnesota	Minneapolis	Reviewed Annually	State matches city funds for tourism and convention development outside the State
	St. Paul	Reviewed Annually	State matches city funds for tourism and convention development outside the State
New York	Albany	Not Avail.	State match for promotion
New Mexico	Albuquerque	Not Avail.	State match for special projects
N. Carolina	Winston-Salem	Reviewed Annually	State matches city fund for special events
Pennsylvania	Philadelphia	Reviewed Annually	State matches funds
	Erie	\$37,000	State grant
Tennessee	Memphis	\$50,000	City matches funds from private sector and county to fund convention and visitors bureau
Washington	Seattle	Reviewed Annually	State matches funds
Wisconsin	Milwaukee	Reviewed Annually	State provides funds for advertising

Joint programming between cities and states occurs in the areas of promotion and public relations, organizing familiarization tours for travel brokers and writers, preparing information materials and in technical assistance and research. This differs from matching funds in that the state agencies participate in the implementation of a program:

- In Birmingham, for example, the State works with the city on joint advertising programs, promotion and public relations, packaging tour development,

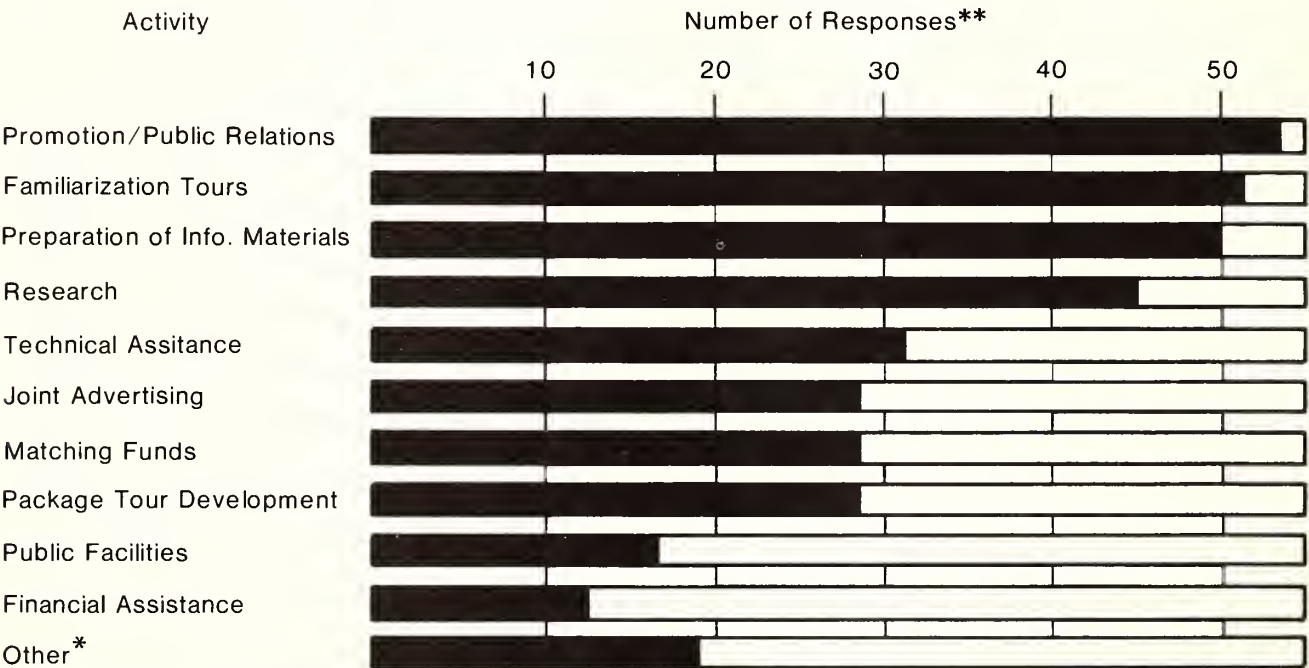
familiarization tours and preparing information materials.

- In Little Rock, Arkansas, the State works with the city on several programs including package tour development, promotion of public relations, technical assistance and research.

Chart 3 provides a more complete picture of the prevalence and various types of collaboration.

Chart 3

Coordination of Activities: States and Cities



*Other Activities Included Joint Participation at Travel Shows, Foreign Trade Missions for Tourism, Monthly Meetings for Discussion of Travel Development, and Convention Coordination

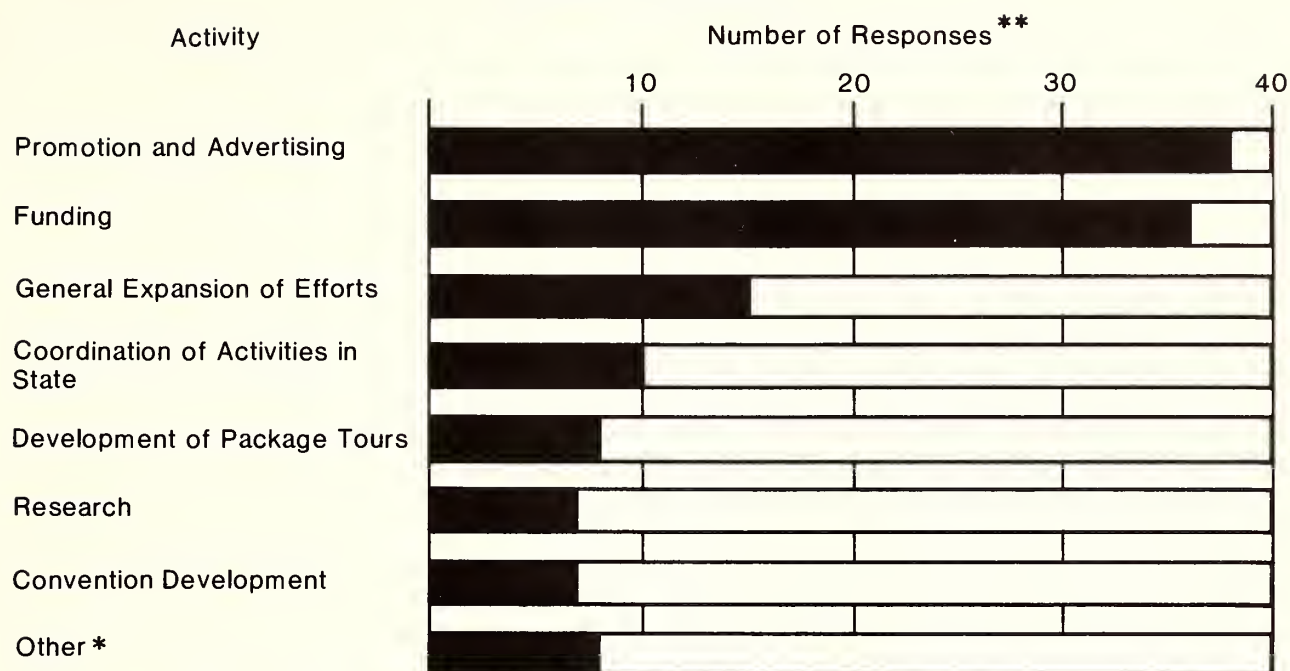
**91 Cities Responding

In addition to discussing what state relationships exist, the questionnaire also asked cities to indicate the kinds of assistance that they would like to see the states undertake. Promotion, advertising and direct

funding all rank high on the preference list. Chart 4 on the following page indicates these preferences in more detail.

Chart 4

Activities That Cities Would Like to See States Undertake



* Responses Included Technical Assistance, Consumer Protection and Local Awareness Programs.

** 91 Cities Responding

Thirty-three cities desired more promotion and advertising for tourism by the State government, both general promotion of the region and of specific tourist attractions. Many also wanted the State to participate in more travel trade shows and develop familiarization tours for travel agents and tour wholesalers. Several cities wanted increased State budgets for developing and printing brochures and more effective dissemination of information materials. One city suggested that the State act as a catalyst for regional promotions.

Thirty cities want more funding and creation or expansion of matching fund programs. Cities pointed out a need for more funding both for the cities and for the State agency itself.

Nine cities thought the State agency should act as a coordinator of tourism activities between state agen-

cies and between regions of the State and between the cities' tourism effort and private industry.

One city called for a master plan for the State, rather than the cities working independently on tourism development. Another city wanted the State's help in securing more direct air flights to the city.

Seven cities wanted the state to supply them with more research data. Suggestions include marketing information and air transportation studies.

Other services cities would like from the states include more development of package tours, convention development, development of tourist attractions, technical assistance, consumer protection and quality control standards, and community education and local awareness programs.

PENN STATE UNIVERSITY LIBRARIES



A000070943733

